



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 18, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TEN-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
39959 SIERRA HIGHWAY, PALMDALE
(FIFTH DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached ten-year lease and addendum with AP-Sierra LLC, Landlord, for the occupancy of 49,500 rentable square feet of office space for the Department of Children and Family Services (DCFS) at 39959 Sierra Highway, Palmdale, at an initial annual rent of \$861,300, excluding utility costs. Rent is 16 percent net County cost and 84 percent subvented by State and Federal funds.
2. Authorize the Chief Administrative Office (CAO) to acquire financing for furniture systems for DCFS at a cost not to exceed \$1,500,000, amortized at a maximum of five and one-half percent over a 60 month period, or \$343,821 annually.
3. Authorize the Landlord and/or Director of Internal Services Department (ISD), at the discretion of the CAO to acquire a telephone system for DCFS at a cost not to exceed \$800,000. At the discretion of the CAO all or part of the telephone, data, and low voltage may be paid in lump sum or financed over a 60 month term not to exceed \$183,371 per year, in addition to other Tenant Improvement (TI) allowances.

The Honorable Board of Supervisors
May 18, 2004
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4. Consider the attached Negative Declaration, together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County. Approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources and authorize the CAO to complete and file a Certificate of Fee Exemption for the project.
5. Approve the project and authorize the CAO, DCFS, and ISD to implement the project. The ten-year lease will commence upon completion of the improvements by the Landlord and acceptance of the improvements by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this proposed lease will provide a regional consolidation of DCFS in Service Bureau 3. DCFS will relocate a total of 188 staff from 17,033 square feet of office space they currently occupy in Lancaster at 335 Avenue K-6 and 27 staff from an 18,400 square foot facility located at 1150 West Avenue J in Lancaster. DCFS will retain this facility for their Lancaster operation. Relocating and consolidating the aforementioned staff from these two locations will help reduce overcrowding and improve delivery of services in a centralized location. The Department of Public Social Services will backfill the space at 335 Avenue K-6, Lancaster when DCFS relocates to the proposed facility.

The services to be provided at the proposed facility include mandated programs consisting of Emergency Response, Dependency Investigation, Family Maintenance and Permanency Planning Services. These programs provide a comprehensive child protection system of prevention, preservation and permanency to ensure children grow up safe, physically and emotionally healthy, educated and in permanent homes.

The Honorable Board of Supervisors
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Adoption units will also be housed in the facility and will be responsible for assessing a child's adoptability, case management and/or supervision, and providing support services involved in finalizing a child's adoption. DCFS also plans to expand services at the proposed facility to include programs such as START, Family-to-Family, Systems of Care, Wraparound and a Medical Placement Unit. These programs were not available at the existing regional office because of lack of sufficient space.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the workplace environment in order to enhance quality and productivity (Goal 2, Strategy 2) and that we strengthen the County's fiscal capacity (Goal 4). In this case, we are consolidating multiple departmental functions and housing a subvented program in leased space, in accordance with Strategic Management Principles as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The annual base lease cost for the proposed facility will initially be \$861,300, which includes approximately \$2,400,000 of TI provided at the sole cost of the Landlord, as specified in the plans submitted by the County. In addition, should the County use the Additional Tenant Improvement Allowance available through the Landlord, the County must reimburse the Landlord up to \$1,500,000 in a lump sum payment within 15 days after commencement of the lease and submission of billings by the Landlord for the cost of furniture.

Acquisition of the furniture systems that are not lump sum paid may be funded through third party financing to be repaid by DCFS at an interest rate not to exceed five and one-half percent over a 60 month term of the lease and paid directly by DCFS. The furniture expenditures, in an amount not to exceed, \$343,821 annually, will be offset by revenue from the DCFS 2004-05 proposed operating budget.

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35595 SIERRA HIGHWAY PALMDALE	PROPOSED TEN-YEAR LEASE
Area (Square feet)	49,500
Term	10 years (upon acceptance of space by County)
Annual Base Rent	\$861,300/\$17.40/sq.ft.(includes \$2,400,000 in TI provided by Landlord)
Additional TI (Furniture) Allowance	\$1,500,000
Maximum 1 st yr Rent	\$1,205,121 (\$24.34/sq.ft.)*
Parking Included in Rent	247 off-street spaces
Cancellation	Anytime after the 72 nd month, the 90 th month and 100 th month on 120 days notice. Additionally, on the last day of the 24 th month of the option term on 120 days notice.
Option to Renew	Two 5-year terms
Rental Adjustment	A fixed increase every two years which will not exceed 4 percent.

*Base rent of \$861,300 + \$343,821 cost of \$1,500,000 of furniture annually, financed over 60 months at five and one-half percent interest.

The monthly rent under the lease will continue to be subject to a fixed increase every other year which will not exceed four percent which will increase the annual base rent to \$950,400 in the last year of the lease term.

Sufficient funding for the proposed lease will be included in the 2004-2005 Proposed Rent Expense Budget. Sufficient funding will be available in the 2004-2005 Budget for DCFS to cover the projected lease costs and will be charged back to the department.

The Honorable Board of Supervisors
May 18, 2004
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The total estimated purchase cost for the telephone, data, and low voltage systems is not to exceed \$800,000 and shall be paid by the department. Should the Landlord be able to provide the aforementioned work at a cost, at or below the County's cost, the recommendation herein allows for the payment of these costs to the Landlord, or at the discretion of the CAO, all or part of these costs may be paid direct in a lump sum basis.

The cost associated with the proposed Lease will be offset 84 percent with State and Federal funding.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Lease provides 49,500 rentable square feet of office space and 247 off-street parking spaces. The Lease contains the following provisions:

- The ten-year term of the lease begins upon completion of improvements by Landlord and acceptance of the improvements by the County at a monthly base rent of \$71,775.
- A TI allowance to prepare the premises, per the submitted County preliminary plans and specifications, which are estimated to cost \$2,400,000, or \$48.48 per square foot, is included in the base rental rate for the renovation of the existing 49,500 rentable square feet.
- An additional TI allowance of up to \$1,500,000, or \$30.30 per square foot in reimbursable tenant improvement funds is also available for tenant improvements and furniture, the actual cost of which will be paid back to the Landlord, in lump sum within 15 days of lease commencement or the CAO can acquire financing of the furniture and TI not to exceed \$1,500,000 amortized over 60 months at a maximum of 5.5 percent per annum.
- The Landlord will provide 247 parking spaces included in the rental rate, which is sufficient to meet the parking needs.

The Honorable Board of Supervisors
May 18, 2004
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- A cancellation provision is provided in the Lease, allowing the County to cancel during the original Term at the last day of the 72nd month and the last day of the 90th and the 100th month of the lease with not less than 120 days or more than 210 days written notice and reimbursement of the brokerage commission of \$75,000 paid by the Landlord in connection with the initial consummation of this Lease and the \$2,400,000 in Landlord provided Tenant Improvements amortized at 8 percent over the ten-year term. Additionally, a cancellation right is provided on the last day of the 24th month of each option period with not less than 120 days or more than 210 days written notice.
- The County has 2 five-year options to renew the Lease.
- The lease is on a modified full-service basis whereby the Landlord will be responsible for all operating and maintenance costs excluding the utilities which are paid directly by the County.

No mass transit is currently available at the proposed facility. During County business hours of 8am to 6pm, the Landlord will provide taxi or shuttle service for tenant visitors and/or clients to and from the Antelope Valley Transit Center. The transportation service shall be provided by the Landlord at its sole cost for the term of the Lease and any extensions unless public transportation is provided to this location in the future.

CAO Real Estate staff surveyed Palmdale and the surrounding area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking and TI for similar property is between \$17 and \$28 per square foot per year modified full-service. Thus, the base annual rent of \$17.40 per square foot for the base lease cost, represents a lower range of market rate for this area. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available for these programs.

The Honorable Board of Supervisors

May 18, 2004

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The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on April 21, 2004. After careful review, the Commissioners approved the proposed lease. The Department of Public Works has inspected this facility and finds it suitable for the County's occupancy.

The proposed leased premise has no additional space available to house a child care center. However, there are several private child care centers available for County employees within a three-mile radius of the subject location.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/ County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed Lease is in the best interest of the County. In accordance with your Board's policy on the housing of any County offices or activities, DCFS concurs in this recommendation.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Lease, two certified copies of the Minute Order and the adopted, stamped Board letter to the CAO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:TS:hd

Attachments (3)

c: County Counsel
Auditor-Controller
Children and Family Services
Internal Services Department

39959sierrahwy.b

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
39959 SIERRA HIGHWAY, PALMDALE
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²		X	
	B	Does lease co-locate with other functions to better serve clients? ²		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sf of space per person? ² Ratio: 1/191sf	X		
2.	<u>Capital</u>				
	A	Should program be in leased space to maximize State/Federal funding?	X		
	B	If not, is this a long term County program?	X		
	C	Is it substantially a net County cost (NCC) program? 16% NCC 84% State and Federal funding		X	
	D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? No, size of project did not require build-to-suit or capital project because of availability of leased space.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a stand alone facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? ² This is a modified full service lease where the County is responsible for the utility costs.		X	
	F	Has growth projection been considered in space request? The DCFS relocation is functional at the expanded size and the space available within the building is being maximized.	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

Attachment B

SPACE SEARCH – WITHIN SERVICE AREA OF DCFS CLIENT PARTICIPANTS,
39959 SIERRA HIGHWAY, PALMDALE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAIL
0059	PW Road –Div #551 Maintenance	4859 W Ave L-12 Quartz Hill	1,2501	1,125	OWNED	NONE
D620	Public Library-Quartz Hill	42018 N 50 th St. W., Quartz Hill	3,530	3,291	LEASED	NONE
B636	DPSS Lancaster Office Center	43770 N 15 th Street W, Lancaster	4,020	3,901	LEASED	NONE
A079	Assessor's Regional Office	251 E Avenue K-6, Lancaster	15,338	13,712	LEASED	NONE
A035	Board of Supervisors 5 th District Field Office	1113 W 4 th Street W, Lancaster	1,241	1,164	LEASED	NONE
X511	Antelope Valley Courthouse	42011 4 th St, W, Lancaster	389,000	267,610	FINANCED	NONE
A008	Antelope Valley Service Center	335 A E Avenue K-6, Lancaster	51,000	242,803	LEASED	NONE
A433	Antelope Valley Service Center B	349 A-B E Avenue K-6, Lancaster	51,000	33,932	LEASED	NONE
A492	DPSS Lancaster IHSS Annex	43424 Copeland Cir., Lancaster	2,400	2,280	LEASED	NONE
A192	Probation –Antelope Valley Area	321 E Avenue K-4, Lancaster	6,400	6,000	LEASED	NONE
X495	PW Waterworks North Maintenance Area	260 E Avenue K-8 Between K-8 and K-10, Lancaster	13,200	11,150	OWNED	NONE
A125	Lake Los Angeles Library	16921 E Avenue O, Palmdale	3,245	2,921	LEASED	NONE
A125	Lake Los Angeles Clinic	16921 E Avenue O, Palmdale	2,457	2,211	LEASED	NONE
A380	DPSS Antelope Valley CAIN	1050 E Palmdale Blvd., Palmdale	18,795	17,855	LEASED	NONE
A509	Palmdale Courthouse	38256 Sierra Highway, Palmdale	18,528	16,256	OWNED	NONE

ORIGINAL FILED

APR 13 2004

NEGATIVE DECLARATION

LOS ANGELES, COUNTY CLERK

Departments Name: Children and Family Services
Project: Palmdale Services Center

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of an existing commercial building to be used by the County of Los Angeles, Department of Children and Family Services as the Palmdale Services Center.

2. a. Location of Project (plot plan attached)

39959 Sierra Highway
Palmdale, CA 93550

b. Name of Project Proponent

County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated November 14, 2002 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date
04/09/04

Real Property Agent
Thomas Shepos

Telephone
(213) 974-4364

- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.
- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Thomas Shepos of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on April 4, 2004.

IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Palmdale.
- C. The project will not have a substantial demonstrable negative aesthetic effect on the proposed site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic beyond that experienced when the property was occupied by its previous owner/tenant. Nor will it affect the carrying capacity of the present street system. This is an office use of a property previously utilized for similar purposes. The County's use is in conformance with uses intended by the developer and approved by the City of Palmdale.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed project will not cause flooding, erosion or siltation.

INITIAL STUDY

I. Location and Description of Project

The proposed premises are located at 39959 Sierra Highway, Palmdale, in the Fifth Supervisorial District approximately 56.3 miles North/Northeast of the Los Angeles Civic Center. The Premises faces Sierra Hwy to the East, Rancho Vista (Ave P) is .25 miles to the South and the 14 Freeway is 1.5 miles West . (See attached map)

The building to be used is privately owned and was used as office space since its construction in 1989. Located at the site is a surface parking lot to serve the subject facility. Additionally a parking lot located at 40015 Sierra Highway, is also owned by the same ownership and is dedicated to serve the two facilities located adjacent to each other. These lots are currently striped to accommodate over 600 exclusive off-street parking spaces. The parking lots may be redesigned, if desired at a later date, to accommodate additional vehicles.

The project consists of leasing this facility for 10 years to house the Palmdale offices within Service Bureau 3 for DCFS. It is anticipated that an average of 247 employees will be occupying the premises with the maximum employee occupancy anticipated to be 200 per day. In addition to the employees, it is anticipated that an average of 40 members of the public per day will be visiting the facility for purposes of receiving services. These services include mandated programs consisting of Emergency Response, Dependency Investigation, Family Maintenance and permanency planning services. No expansion of existing premises beyond what is now currently existing will occur for this project and no alterations, except for interior alterations, will be performed for this project.

II. Compatibility with General Plan

This project site is identified by the City of Palmdale as C2 in the City's General Plan.

III. Environmental Setting

The project site is located in an area of open desert and commercial properties that back into residential type facilities. The site includes approximately 382,500 square feet of developed property. The site of the office building is bordered by Sierra Highway on the East side, an industrial complex and open land on the North, South is vacant until Ave P, and vacant land and residential properties to the West side.

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE**

NEGATIVE DECLARATION

I. Location and Description of the Project

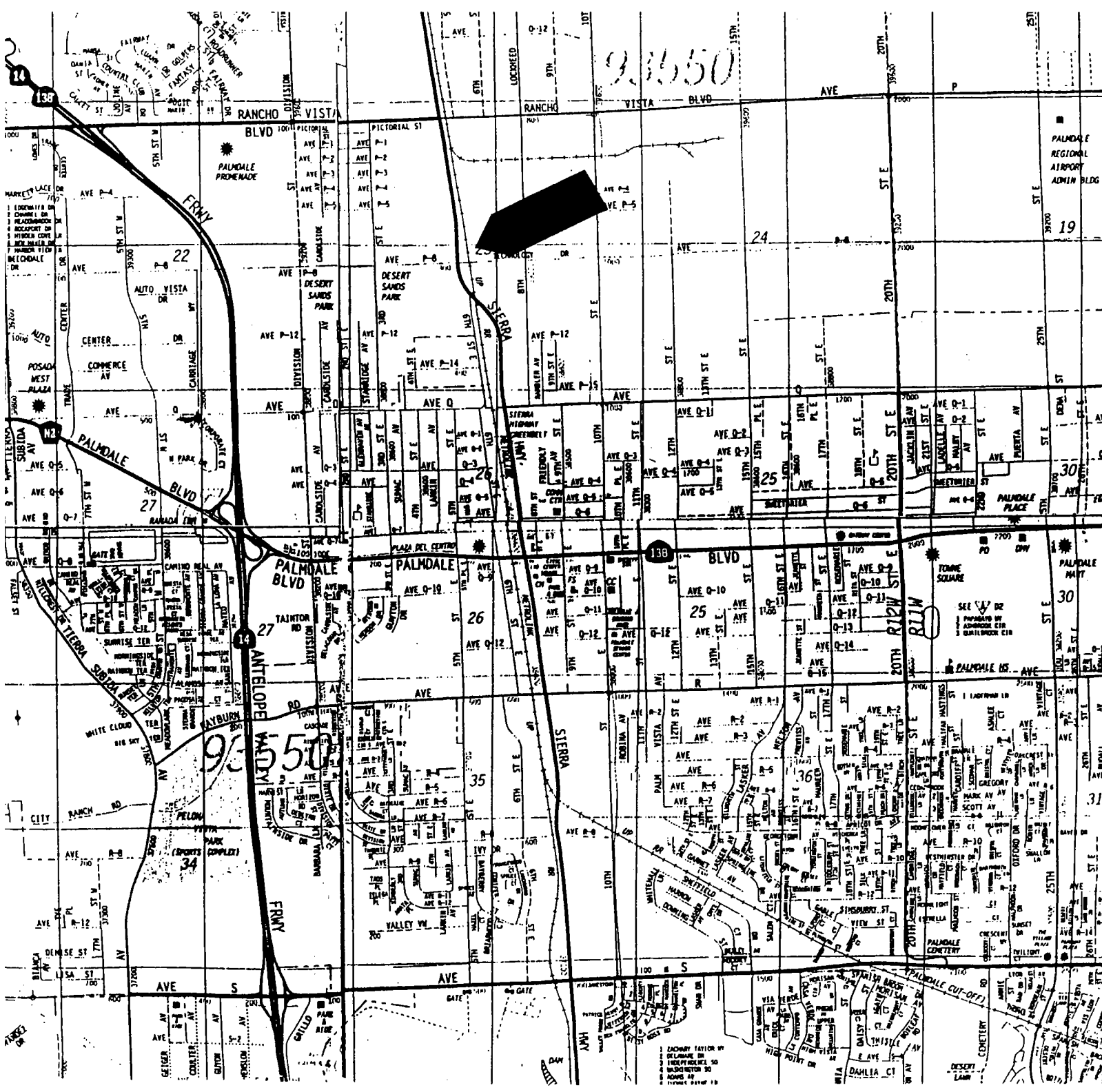
The proposed project is for the County of Los Angeles to lease an existing facility located at 39959 Sierra Highway, Palmdale, California, which will be used by the Department of Children and Family Services (DCFS) to provide their services to the community of Palmdale and adjoining neighborhoods. The facility, located in the Fifth Supervisorial District approximately 56.3 miles from the Los Angeles Civic Center, comprises approximately 49,500 rentable square feet of office in a free standing two-story building. DCFS shall have use of the entire surface parking lot adjoining the facility and an appurtenant parking lot at 40015 Sierra Highway, Palmdale. These lots are currently striped to accommodate 600 parking spaces.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.



**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AGREEMENT**

**DEPARTMENT: CHILDREN AND FAMILY SERVICES, as Tenant
LANDLORD: AP-SIERRA LLC**

39959 SIERRA HIGHWAY, PALMDALE, CA

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COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the _____ day of April, 2004 between AP- SIERRA LLC ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a) Landlord's Address for Notice:

AP-Sierra LLC
Attn: Don Abbey
310 Golden Shore, Suite 300
Long Beach, CA 90802

(b) Tenant's Address for Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
Fax Number: _____

With a copy to:

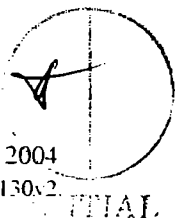
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: _____

(c) Premises:

Approximately 49,500 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.

(d) Building:

The building located at 39959 Sierra Highway, Palmdale, CA, which is located upon the real property described more particularly in Exhibit A attached hereto (the "Property");



- (e) Term: Ten (10) years beginning on the Commencement Date (as that term is defined in Section 1(g)) and terminating at midnight on the day before the tenth (10th) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term(s) for which an option has been validly exercised.
- (f) Projected Commencement Date: Subject to Section 8. of the Landlord's Work Letter, the date which is two hundred seventy (270) days after the Landlord Tenant Improvement Commencement Date
- (g) Commencement Date: Subject to the provisions of Section 4.(c) hereof and Section 8 of the Landlord's Work Letter thirty (30) days after the earlier of: (a) Substantial Completion (as such term is defined in Section 4(a)) of Base Tenant Improvements of the Premises or (b) Tenant's occupancy of the Premises.
- (h) Irrevocable Offer Expiration Date: April 21, 2004 to the Real Estate Commission
May 18, 2004 to the Board of Supervisors
- (i) Basic Rent: \$71,775.00 per month (which is based upon a rental rate of \$1.45 per rentable square foot (adjustable only as provided herein.)
- (j) Early Termination Date: During the original Term: the last day of the 72nd month and the last day of the 90th month and the last day of the 100th month
During any extension of the Term: the last day of the 24th month.
- (k) Rentable Square Feet in the Premises: 49,500
- (l) Use: General office use or for any other lawful purposes, not incompatible with other uses in Building.
- (m) Initial Departmental Use: General office
- (n) Parking Spaces: 5/1000 Non Exclusive

- (o) Normal Working Hours: 6:00 a.m. to 11:00 p.m., Monday through Friday and 9:00 a.m. to 3:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (p) Asbestos Report (as contained in the Phase I Environmental Site Assessment Report): A report dated October 1, 2001, prepared by EnviroBusiness, Inc.
- (q) Landlord Tenant Improvement Commencement Date: Landlord shall have no obligation to commence construction of the Base Tenant Improvements until all of the following have occurred: (1) The final and unconditional approval and execution of this Lease by the County by the formal action of the Board of Supervisors ("County Approval"); (2) the receipt by Landlord of the final and unconditional Lenders' Approval (as defined in Section 31.2 hereof); and (3) the issuance of all necessary permits required to commence construction of the Base Tenant Improvements ("Permit Issuance"). Landlord Tenant Improvement Commencement Date means the date upon which occurs the last of the following: (a) Landlord's written receipt of the County Approval, (b) Landlord's written receipt of the Lenders' Approval, or (c) Permit Issuance to Landlord.

1.2 Defined Terms Relating to Landlord's Work Letter:

- (a) Base Tenant Improvements: The improvements to the Premises required to be delivered by the Landlord to Tenant in the as built plans and specifications attached as Addendum B to the Landlord's Work Letter provided, however, that Base Tenant Improvements shall not include Tenant's furniture, furniture systems, telephones, telexes, telecopies, photocopy machines, computers and other business machines or equipment or telecommunications equipment, the purchase and installation of which shall be Tenant's responsibility. It is estimated that the Base Tenant Improvements will cost approximately Two Million Four Hundred Thousand Dollars (\$2,400,000) as more particularly set forth on a preliminary budget attached hereto as Exhibit B ("Preliminary Budget").

(b) Additional Furniture Allowance:

\$1,500,000

(c) Additional Furniture Allowance Amortization Rate:

Payable by Tenant to Landlord in a lump sum payment within fifteen (15) days after the later of: (i) the Commencement Date; or (ii) delivery by Landlord to Tenant of a final invoice for the Additional Furniture Allowance.

Tenant may opt to finance the lump-sum payment for the Additional Furniture Allowance through lease-purchase financing with a third-party lessor ("Creditor"). In the event that Tenant elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

The Personal Property shall not become part of the realty, but shall remain personal property removable by Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

This section shall be binding on the representatives, successors and assigns of all parties hereto and shall enure to the benefit of the successors-in-interest to all parties hereto.

Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

(d) Intentionally Deleted:

(e) Tenant's Work Letter Representative:

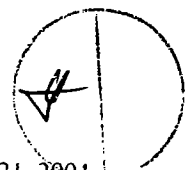
Don Abbey

(f) Landlord's Work Letter Representative:

Thomas Shepos

(g) Landlord's Address for Work Letter Notice:

AP-Sierra Gateway, LLC
Attn: Don Abbey
c/o The Abbey Company
310 Golden Shore, Suite 300



Long Beach, CA 90802

(h) Tenant's Address for Work
Letter Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

1.3 Exhibits to Lease:

Exhibit A - Plan of Premises
Exhibit B - Preliminary Budget
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease
Terms
Exhibit D - HVAC Standards
Exhibit E - Cleaning and Maintenance
Schedule

1.4 Landlord's Work Letter: (executed
concurrently with this Lease and
made a part hereof by this
reference)

Landlord's Work Letter
Addendum A: Base Building Improvements
Addendum B: Tenant Improvements

1.5 Supplemental Lease Documents:
(delivered to Landlord and made a
part hereof by this reference)

Document I: Subordination, Non-disturbance
and Attornment Agreement
Document II: Tenant Estoppel Certificate
Document III: Community Business
Enterprises Form
Document IV: Memorandum of Lease
Document V: Request for Notice

2. PREMISES.

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Landlord and Tenant acknowledge that the Premises consists of approximately 49,500 rentable square feet of the building plus associated parking spaces as provided herein.

(c) The Premises were measured by Landlord and verified independently by Tenant in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Warehouse/Office Buildings, ANSI Z65.1-195, as promulgated by the Building Owners and Management Association (BOMA) International. At

no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within forty-five (45) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The lease shall commence in accordance with the provisions of Section 1(g). The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean that Landlord has completed all of the Base Tenant Improvements as defined herein and set forth on Addendum B to the Landlord's Work Letter, notwithstanding the fact that minor details of construction, mechanical adjustments or decoration which do not materially interfere with Tenant's use of the Premises remain to be performed (items normally referred to as "punch-list", which shall be completed in a sixty (60) day period, items) and Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease. The Premises shall be deemed Substantially Complete, even though Tenant's furniture, furniture systems, telephones, telexes, telecopiers, photocopy machines, computers and other business machines or equipment or other telecommunications equipment have not been installed, the purchase and installation of which shall be Tenant's sole responsibility. Subject to the correction by Landlord of the punch-list items, Tenant shall be obligated to accept the Premises at such time as the Premises are delivered to Tenant Substantially Complete, and Tenant has been provided access to the parking facility serving the Premises.

(b) Termination Right. If the Commencement Date has not occurred by the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. As provided in Section 1.(g), Tenant shall be entitled to possession of the Premises thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period. The thirty (30) day period provided in Section 1.(g) for determining the Commencement Date shall not be in addition to the thirty (30) day period referred to in this Section 4.(c).

(d) Early Termination. Subject to the Termination Conditions (as defined below), Tenant shall have the right to terminate this Lease (each separately a "Termination Option") during the initial ten (10) year term on (each a "Termination Date") either the last day of the seventy-second (72nd) month, the ninetieth (90th) month, or the one hundredth (100th) month following the last day of the month in which the Commencement Date occurs and during an Option Term (as defined in Section 34) on the last day of the twenty-fourth (24th) month

following the last day of the month in which the applicable Option Term commenced. Each Termination Option is granted subject to the following terms and conditions ("Termination Conditions"):

(i) Notice. Tenant shall give Landlord not less than one hundred twenty (120) days nor more than two hundred ten (210) days advance written notice of its election to exercise a Termination Option, time being of the essence. Such notice shall specifically identify the one Termination Date for which the Termination Option is being exercised. Notice shall be given in accordance with the provisions of paragraph 30(e) of this Lease. If said notification of the exercise of a Termination Option is not so given and received, the applicable Termination Option shall automatically expire, and Tenant shall not have the right to exercise said Termination Option; and

(ii) Termination Payment. Tenant shall pay to Landlord on or before the applicable Termination Date a cash termination payment (the "Termination Payment") equal to the sum of the following amounts:

(1) The unamortized cost of the following amounts (the "Concessions"), calculated as of the applicable Termination Date:

(A) All brokerage commissions paid or incurred by Landlord in connection with the initial consummation of this Lease; plus

(B) The sum of Two Million Four Hundred Thousand Dollars (\$2,400,000) which the parties hereto agree is the cost of all tenant improvement work (and all architectural and space planning fees associated therewith) paid or incurred by Landlord for the construction of the tenant improvement work.

The amounts described in (A) and (B) above shall be amortized on a straight line basis over the initial ten (10) year term of this Lease using an amortization rate of eight percent (8%). If Tenant fails to deliver the Termination Payment to Landlord on or before the fifteenth (15th) day following the Termination Date, time being of the essence, Tenant's written notice to Landlord electing to exercise the applicable Termination Option shall be void and of no force and effect, Tenant shall no longer have the right to terminate this Lease pursuant to the applicable Termination Option, and the Lease shall remain in full force and effect.

If Tenant timely and properly exercises a Termination Option and timely pays the Termination Payment, (i) Base Rent and all other charges payable under this Lease shall be paid through and apportioned as of the applicable Termination Date (in addition to payment by Tenant of the applicable Termination Payment); (ii) neither party shall have any rights, liabilities, or obligations under this Lease for the period accruing after the applicable Termination Date, except those which, by the provisions of this Lease, expressly survive the expiration or termination of the term of this Lease; (iii) Tenant shall surrender and vacate the Premises and deliver possession thereof to Landlord on or before the applicable Termination Date in the condition required under this Lease for surrender of the Premises; and (iv) at Landlord's option, Tenant shall enter into a written agreement reflecting the termination of this Lease upon the terms provided for herein, which agreement shall be executed within thirty (30) days after Tenant exercises the Termination Option. Tenant shall have no right to exercise a Termination Option, notwithstanding any provision in the grant of the Termination Option to the contrary, if Tenant is in default at the time of its giving notice to exercise a Termination Option or on the Termination Date for which Tenant has given a notice to exercise a Termination Option.

5. RENT. Tenant shall pay Landlord all rent and other payments due to Landlord hereunder (including, without limitation, Basic Rent) during the Term hereof within fifteen (15) days after a claim therefore for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month. For each successive twelve (12) months of the original term of this lease and for each successive twelve (12) month period thereafter, the monthly rent as set forth above shall be subject to adjustment as listed on Exhibit "F" attached hereto. Tenant shall pay to Landlord the reimbursement for the Additional Furniture Allowance within the time provided in Section 1.2(c).

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon sixty (60) days written notice from Landlord or sixty (60) days written notice from the Chief Administrative Officer of Tenant at one hundred percent (100%) of the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event either twenty five percent (25%) or less of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable or, per the Estimated Repair Time (as defined below), the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days after issuance of all necessary permits, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. ("Estimated Repair Time"). The failure to do so following a thirty (30) day written notice to Landlord from Tenant shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event more than twenty-five percent (25%) of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less

than one hundred eighty (180) days after the issuance of all necessary permits for any reason, then Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination. As used herein, the term "material destruction" shall mean the destruction of greater than twenty five percent (25%) of the Premises rendering the Premises totally or partially inaccessible or unusable.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may, after giving written notice thereof to Landlord and a thirty day period to cure such failure: (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents, to its knowledge, to Tenant that (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) to Landlord's actual knowledge, the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation which has not been cured. Landlord represents, that, except as disclosed in the Phase I Environmental Site Assessment Report described in Section 1.(p) that the Premises and the Building contain no asbestos or other Hazardous Materials (as herein defined) containing materials (other than as may be disclosed in the Phase I Environmental Site Assessment Report).

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra building network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; and (iv) exterior windows of the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced after ten (10) years of use); (2) interior partitions; (3) doors; (4) the interior side of

demising walls (which shall be repainted every ten (10) years). Notwithstanding anything to the contrary contained herein, Landlord's only obligation with respect to carpeting is to replace every (10) years after the Commencement Date and with respect to interior painting, to repaint every five (5) years after the Commencement Date. Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of module furniture, low voltage electronic, phone and data cabling and related equipment and all other personal property that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by Nitany Lion Landscaping, Inc. ("NL") which Tenant hereby approves, or by any other contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to commence and diligently pursue within five (5) business days of acquiring any necessary permits or, if no permits are required, within five (5) business days after the receipt of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent material danger to property or the failure to take immediate action could reasonably cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other office buildings and not less than the standard set forth in Exhibit D attached hereto.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric required per the Plans and specifications set forth and approved as shown in Addendum B to Landlord's Work Letter, at Tenant's sole cost.

(c) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises, at Tenant's sole cost.

(d) Gas. Landlord shall furnish to the Premises a metered gas line if it is not currently provided to the Building as of the date of this Lease.

Notwithstanding the above, Tenant agrees to pay when due all charges for the consumption of the electricity, gas and water in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, provided the same are measured by separate meter, which shall be installed at the sole cost of the Landlord.

(e) Janitorial. Landlord shall provide janitorial service to include a day porter for a maximum of 6 hours per business day and janitorial services on five (5) nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto. Notwithstanding the definition of Normal Working Hours, the janitorial service shall be rendered during the customary hours for such service.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. TAXES. Landlord shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the demised Premises during the term of this Lease or renewal or holdover period thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may give Landlord thirty (30) calendar days prior notice and, provided Landlord is not contesting its obligation to pay such taxes or assessments, thereafter pay such taxes or assessments, and deduct the payments from the installments of rent next due as a charge against Landlord. Landlord, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any taxes or assessments, provided that such proceeding shall suspend the collection of the taxes from Landlord and from the Property.

13. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the leased Premises other than because an act or omission to act by Tenant or in compliance with law for more than eight consecutive business hours which for purposes of this Section 13 shall be 8:30 am to 5:30 pm Monday through Friday other than holidays recognized by the County of Los Angeles, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises without notice to Tenant in the event of an emergency.

14. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the

default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of three (3) day written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

15. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(b), 10(c), and 21(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease only if Landlord has failed to perform such obligation within twenty (20) days after the giving of written notice to Landlord with respect thereto by Tenant (which notice shall be, the same notice given under Section 30(e); provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such twenty (20) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, upon giving written notice to Landlord, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due or (ii) to pursue the remedy of specific performance; or (iii) terminate the lease. In no event shall Tenant be entitled to any consequential, special damages or other monetary damages.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

16. ASSIGNMENT AND SUBLETTING. Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: which Landlord shall not unreasonably withhold. Landlord's consent shall be given or denied within thirty (30) days of receipt of written request. Should there be no response within thirty (30) days the request shall be deemed approved by the Landlord.

Notwithstanding the foregoing, Tenant shall have the right at all times to allow another government agency (including any government assignee, contractor or subcontractor providing government services as are provided by Tenant) other than the department of Health Services, to

use the Premises, without the Landlord's written consent so long as the intended use is consistent and compatible with Lessee's use of the Premises in accordance with the terms of Paragraph 1.(1) of the Lease. Lessee agrees to promptly notify Landlord of any such change in tenancy.

17. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) such alteration does not cost more than \$25,000 in the aggregate. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Tenant shall remove and repair as originally leased, subject to normal wear and tear, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

18. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, more than ten percent (10%) of the Premises is taken and the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to

the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within one hundred twenty (120) days after obtaining all necessary permits, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

19. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord its members, officers and directors harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of Tenant's use of the Premises or any grossly negligent act or omission or willful misconduct of Tenant or its employees or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the gross negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any grossly negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

20. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30 or its equivalent), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and

(3) personal and advertising injury of \$1,000,000. These limits can be comprised of a combination of primary and umbrella liability policies on a following form basis.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease but only if Landlord has failed to perform such obligation within twenty (20) days after the giving of written notice to Landlord with respect thereto by Tenant, provided, however, if the nature of such default is such that the same cannot be reasonably cured within such twenty (20) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. --

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

(e) Tenant's Insurance. During the term of this Lease, Tenant will maintain in full force and effect the types and amounts of insurance described below with respect to the Premises and Tenant's employees (Tenant, at its sole option, shall use commercial insurance and/or self-insurance or any combination thereof to satisfy these requirements):

	<u>Types</u>	<u>Amounts</u>
(a)	Worker's Compensation	In accordance with applicable statutes
(b)	Employer's Liability	\$1,000,000 bodily injury each accident \$1,000,000 bodily injury by disease
(c)	General Liability	\$5,000,000 each occurrence combined single limit bodily injury and property damage (which can be comprised of a combination of primary and umbrella policies on a following form basis)
(d)	Auto	\$1,000,000 each occurrence combined single limit bodily injury and property damage (which can be comprised of a combination of primary and umbrella policies on a following form basis)

Landlord shall be named as an additional insured under the coverage required under (c) above. Furthermore, the policies listed in (a) and (b) above shall contain waiver of subrogation provisions in favor of Landlord and shall be primary and noncontributory to insurance maintained by Landlord.

All insurance required to be carried hereunder shall be evidenced by valid and enforceable policies, issued by financially sound and responsible insurance carriers authorized or permitted to do business in the state in which the Premises are located, and having a Best's Policyholder Rating of not less than A VII.

Tenant will provide Landlord with appropriate certificates evidencing the insurance coverage required hereunder at commencement of this Lease and at each subsequent renewal of such coverage. Replacement certificates will be sent if policies are replaced or materially modified. Each certificate will state that at least 30 days' notice shall be given to Landlord prior to the cancellation of any policy.

21. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number parking stalls set forth in Section 1 on a nonexclusive basis without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord may substitute parking spaces assigned to Tenant with parking spaces at adjacent properties (within 500 feet) on a temporary, as needed, basis.

(b) Remedies. Landlord shall use his best efforts to provide tenant with two hundred forty-seven (247) unreserved spaces at all times during the Term of this Lease. If Landlord provides less than 247 spaces, Tenant may at its sole discretion, negotiate with Landlord for an equitable reduction in the monthly rent based upon the Fair Market Value, estimated to be \$100 per space, of such parking or the loss of such parking if not reasonably timely replaced. Notwithstanding the provision above, if during the Term of this Lease, Landlord fails to provide at least two hundred (200) permanent parking stalls (within 500 feet of the Premises), Tenant may terminate this Lease by giving written notice of such termination to Landlord, provided Landlord shall have a cure period of thirty (30) days of receipt of such notice. If Landlord fails to commence a cure within the thirty (30) days and diligently prosecute the same the Lease may be terminated by Tenant.

(c) During the Term of this Lease, as it may be extended, Landlord during the hours of 8:00 am to 6:00 pm Monday through Friday other than on holidays recognized by the County of Los Angeles, shall provide taxi or shuttle service for "qualified Tenant client(s)" to and from the Antelope Valley Mall or the public bus terminal, whichever is nearer to the Building. The Antelope Valley Mall or the public bus terminal is referred to herein as "PBT". For purposes of this paragraph, "qualified Tenant client(s)" means clients of the Tenant who in the course of their traveling to or from a meeting with the Tenant at the Building take the public bus to or from the nearest PBT. Tenant acknowledges and agrees that the taxi or shuttle service is not intended for and the Landlord shall have no obligation to provide it to anyone who arrives at or departs from the nearest PBT by any means other than public bus. Landlord's obligation to provide the taxi or shuttle service described in this

paragraph shall terminate when public bus service is provided on Sierra Highway with a bus stop within a reasonable distance of the Building. If Landlord fails to provide such taxi or shuttle service as herein provided, Tenant may terminate this Lease by giving written notice to Landlord, provided Landlord shall have a cure period of sixty (60) days following receipt of such notice. If Landlord fails to commence a cure within such sixty (60) days and diligently prosecute the same the Lease may be terminated by Tenant.

22. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas but only if the presence of Hazardous Materials is caused by a violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease after the expiration of the notice and cure period set forth in Section 30(1).

23. ESTOPPEL CERTIFICATES. Tenant shall, within twenty (20) business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to

Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

24. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Base Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

25. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder, Tenant and Landlord each hereby indemnifies and holds the other harmless from any liability or loss from any such lien permitted by Tenant or Landlord respectively.

26. SUBORDINATION AND MORTGAGES.

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents, delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such Default.

27. SURRENDER OF POSSESSION. Tenant agrees to return the Premises to Landlord in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other such disasters or casualty excepted to the extent not caused by Tenant. As between Tenant and Landlord, Tenant shall be responsible to Landlord for any and all damage to the Premises by Tenant and any of Tenant's agents, servants, employees, customers or invitees. Tenant shall remove and repair all damage caused by such removal, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE. Tenant shall be permitted, at Tenant's sole cost and expense, to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

29. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

30. GENERAL.

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(d) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

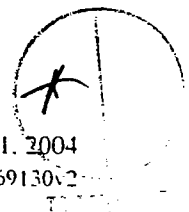
(e) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(f) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(g) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(h) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(i) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within thirty (30) days after written request is made therefore, together with all necessary information.



(j) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(k) Memorandum of Lease. If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

(l) Notice and Cure. If, for a specific failure of performance by Landlord under this Lease or in any document executed in connection with this Lease, there is no notice and cure period, then Landlord shall be in default under this Lease or such document only if Landlord has failed to perform such obligation within twenty (20) days after its receipt of written notice to Landlord with respect thereto by Tenant (in accordance with Section 30(e)), provided, however, if the nature of such default is such that the same cannot be reasonably cured within such twenty (20) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion.

31.1. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegate (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31.2. LENDERS' APPROVAL. This Lease shall have no force or effect unless and until Landlord receives written final and unconditional approval of this Lease from the following lenders: (1) Capri Select Income, LLC; and (2) Midland Loan Services, Inc. as Servicer for the loan to Landlord from Morgan Guarantee Trust Company of New York. The lender approvals required pursuant to this subsection as a condition to the effectiveness of this Lease are herein referred to as "Lenders' Approval".

32. ACKNOWLEDGEMENT BY LANDLORD.

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease. Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder unless in connection with a direct or indirect sale of the Property), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void as it regards this Lease.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and

extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

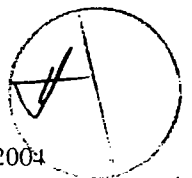
(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity other than Landlord's members, agents, employees, attorneys, accountants, lenders, and others who have a reasonable need to know, except with County's prior written consent. The foregoing shall not apply to any information which is available to the general public. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

33. **IRREVOCABLE OFFER**. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord, subject to the condition of receipt by Landlord of Lenders' Approval as set forth in Section 31.2, irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[SIGNATURES ON FOLLOWING PAGE]



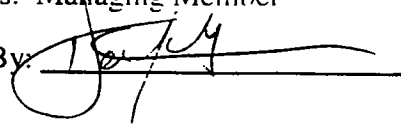
IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

AP- SIERRA LLC
a California limited liability company

By: DA Properties LLC
a Delaware limited liability company
Its: Managing Member

By: Abbey-Properties LLC
a California limited liability
company
Its: Managing Member

By:  _____

TENANT:

COUNTY OF LOS ANGELES.
a body politic and corporate

By: _____
Name: _____
Chairman, Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:


Office of the County Counsel
By: 
Deputy: Francis E. Scott

EXHIBIT A
PLAN OF PREMISES

(see attached)

EXHIBIT B
PRELIMINARY BUDGET

(to be attached)

Department of Child and Family Services
A100
39559 Sierra Highway
Palmdale, Ca

Budget Only 4450-01-340-100
NL Services # 03-026
Date: 4/6/2004
Square Footage: 48500

WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
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Division 2 Site Work

Demolition			Cost per SF	\$4.53	\$219,530.00
Existing Walls (14' Walls)	1600	LF	\$18.00	\$28,800.00	
Existing light fixtures	600	EA	\$65.00	\$39,000.00	
Existing Cat 5 cabling	300	EA	\$60.00	\$18,000.00	
Existing Cubicles	286	EA	\$155.00	\$44,330.00	
Existing Carpet	41000	SF	\$0.35	\$14,350.00	
Existing VCT	8500	SF	\$0.65	\$5,525.00	
Existing Stone Flooring	0	SF	\$1.25	\$0.00	
Existing Ceilings -Acoustical	46000	SF	\$0.65	\$29,900.00	
Existing Ceilings - Drywall	3500	LF	\$0.75	\$2,625.00	
Existing Cabinetry	6	Lump	\$1,500.00	\$9,000.00	
Existing Raised floors	12000	SF	\$2.00	\$24,000.00	
Existing Wallcovering	10000	SF	\$0.40	\$4,000.00	

Division 3 Concrete

Concrete			Cost per SF	\$0.34	\$16,500.00
Patch trenches for concrete	1	Lot	\$16,500.00	\$16,500.00	

Division 4 Specialties

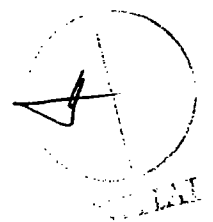
Accordian Wall			Cost per SF	\$0.71	\$34,600.00
Add steel for structural support for partition	1	LS	\$9,600.00	\$9,600.00	
Moveable partition, top mounted, electrically op	200	SF	\$125.00	\$25,000.00	

Division 6 Wood & Plastics

Millwork			Cost per SF	\$1.25	\$60,475.00
Plastic Laminate Cabinetry					
Cabinet Allowance	205	LF	\$295.00	\$60,475.00	
Rough Framing			Cost per SF	\$0.01	\$450.00
4x8 Tele. Backboard Fire rated	3	Each	\$150.00	\$450.00	

Division 7 Thermal Protection

Insulation			Cost per SF	\$1.49	\$72,275.00
Ceiling Insulation R-30	50000		\$1.25	\$62,500.00	
Flexible batts or rolls R13	11500	SF	\$0.85	\$9,775.00	



Department of Child and Family Services
A100
39559 Sierra Highway
Palmdale, Ca

Budget Only 4450-01-340-100
NL Services # 03-026
Date: 4/6/2004
Square Footage: 48500

WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
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Division 8 Doors & Windows

Doors & Frames		Cost per SF	\$1.20		\$58,425.00
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Inter Singel Door No label Pre- Mach	41	Each	\$925.00	\$37,925.00	
add for architectural grade	41	Each	\$100.00	\$4,100.00	
add for Lever Handicap Latch set	41	Each	\$225.00	\$9,225.00	
add for door Frame	41	Each	\$155.00	\$6,355.00	
Keying	41	Lot	\$20.00	\$820.00	

Glazing		Cost per SF	\$0.79		\$38,140.00
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1/2" Clear Tempered Glass	930	SF	\$28.00	\$26,040.00	
Glass Block wall					
Store Front brushed Aluminum	550	LF	\$22.00	\$12,100.00	
Store Front Doors	0	Each	\$750.00	\$0.00	
Faux Frossed Glass Film Allowance	0	Allow	\$7.50	\$0.00	

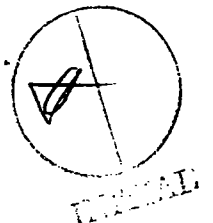
Division 9 Finishes

Drywall		Cost per SF	\$3.64		\$176,516.50
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3 5/8" 25 ga 24" oc	22400	SF	\$4.50	\$100,800.00	
add for 16" oc 20 ga	2230	SF	\$0.30	\$669.00	
Furred Columns	30	Each	\$175.00	\$5,250.00	
Drywall Ceiling Non-rated	370	SF	\$5.25	\$1,942.50	
Light Cove	0	LF	\$35.00	\$0.00	
Drywall Soffits	0	LF	\$25.00	\$0.00	
Fire Extinguisher Cabinet Frame-in	25	Each	\$75.00	\$1,875.00	
Mullion Closer	18	Each	\$35.00	\$630.00	
Bracing Above Ceiling (Glass walls)	93	LF	\$25.00	\$2,325.00	
Skim Coast Walls	12000	SF	\$0.80	\$9,600.00	
Patch Wall Scars	35	Each	\$35.00	\$1,225.00	
Electrical Patches	45	Each	\$30.00	\$1,350.00	
Access Panels	3	Each	\$200.00	\$600.00	
Architectual Fee	49500	SF	\$1.00	\$49,500.00	
Stocking	1	Lot	\$750.00	\$750.00	

Acoustical		Cost per SF	\$2.99		\$144,982.50
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2 x 4 standard tile	49500	SF	\$1.35	\$66,825.00	
2x4 grid new	30000	SF	\$1.95	\$58,500.00	
Add for upgrade to reception & Conference	3300	SF	\$2.35	\$7,755.00	
Light Wires @ Fixtures	1800	Each	\$4.00	\$7,200.00	
Compression Posts	49500	SF	\$0.07	\$3,465.00	
Add For Wall Angle	450	LF	\$2.75	\$1,237.50	



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Budget Only 4450-01-340-100
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Square Footage: 48500

WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
Floor Coverings			Cost per SF	\$4.80	\$232,710.75
Allowance Material	0	SF	\$2.25	\$0.00	
Labor to install	0	SF	\$0.75	\$0.00	
Base (Burke)	10000	LF	\$1.55	\$15,500.00	
Vinyl Composition Tile - Antistatic	980	SF	\$8.00	\$7,840.00	
VCT-Regular	10070	Allow	\$2.00	\$20,140.00	
Carpet 30 oz	44671	SF	\$3.25	\$145,180.75	
Ceramic Tile for restrooms	4	EA	\$8,500.00	\$34,000.00	
Transition reducers	2200	LF	\$1.50	\$3,300.00	
Floor Prep	150	Hr	\$45.00	\$6,750.00	
Wallfinishes			Cost per SF	\$0.86	\$41,950.00
Paint Walls - Eggshell	58000	SF	\$0.65	\$37,700.00	
Paint Drywall Ceiling - Flat Paint	400	SF	\$0.60	\$240.00	
Paint Light Soffits	70	LF	\$7.50	\$525.00	
Stain & Finish Doors	41	Each	\$85.00	\$3,485.00	
Division 10 Specialties					
Signage			Cost per SF	\$0.49	\$24,000.00
Directional, nameplates, room #'s, ADA	1	LS	\$24,000.00	\$24,000.00	
Division 11 Equipment					
Appliances			Cost per SF	\$0.05	\$2,595.00
Dishwasher	1	Each	\$850.00	\$850.00	
Microwave	1	Each	\$400.00	\$400.00	
Icemaker	1	Each	\$350.00	\$350.00	
Full Height Refrigerator w/ Ice	1	Each	\$995.00	\$995.00	
Division 12 Furnishings					
Window Covering			Cost per SF	\$0.99	\$47,870.00
Solar film for windows	6000	SF	\$4.00	\$24,000.00	
Horizontal Blinds measurements	154	Each	\$155.00	\$23,870.00	



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WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
Division 15 Mechanical					
Fire Extinguishers			Cost per SF	\$0.22	\$10,500.00
5 lb ABC	0	Each	\$35.00	\$0.00	
5 LB ABC w/cabinet	35	Each	\$300.00	\$10,500.00	
Fire Sprinklers			Cost per SF	\$1.18	\$57,225.00
Concealed Heads	185	Each	\$175.00	\$32,375.00	
Branch Line Relocation	4	LP	\$1,250.00	\$5,000.00	
Engineering	49500	Lot	\$0.30	\$14,850.00	
Permit-5 year certification	1	Lot	\$5,000.00	\$5,000.00	
Plumbing			Cost per SF	\$1.99	\$96,375.00
Form afar Rough - In Water, Waste & Vent	100	LF	\$185.00	\$18,500.00	
For rough-in, supply, waste and vent	6	Each	\$1,175.00	\$7,050.00	
Kitchen Sink double SS	2	Each	\$475.00	\$950.00	
Hot Water Heater 10 gal electric	6	Each	\$350.00	\$2,100.00	
Water Purifier Everpure	0	Each	\$0.00	\$0.00	
Water Line Ice / Coffee	2	Each	\$75.00	\$150.00	
Garbage Disposal	2	Each	\$150.00	\$300.00	
Water Filtration System (no distilled)	0	Each	\$1,200.00	\$0.00	
Single stall ADA restrooms	3	Each	\$8,500.00	\$25,500.00	
Double stall ADA restroom	1	Each	\$11,500.00	\$11,500.00	
Wet Bars	4	Each	\$3,250.00	\$13,000.00	
Engineering	49500	Lot	\$0.35	\$17,325.00	
HVAC			Cost per SF	\$4.77	\$231,515.00
Air Distribution	49500	SF	\$1.45	\$71,775.00	
T-sat	29	Each	\$110.00	\$3,190.00	
Supply Diffuser	165	Each	\$185.00	\$30,525.00	
Return Grill	165	Each	\$155.00	\$25,575.00	
Linear distribution	250	LF	\$55.00	\$13,750.00	
Zones	25	Each	\$750.00	\$18,750.00	
Fire Dampers (allowance)	16	Lot	\$400.00	\$6,400.00	
Smoke / Fire Dampers	2	Each	\$375.00	\$750.00	
HVAC Demolition	1	Lot	\$750.00	\$750.00	
New A/C's, redundant Air	4	2 ton	\$7,500.00	\$30,000.00	
Air Balance	48500	SF	\$0.15	\$7,275.00	
Engineering	49500	SF	\$0.45	\$22,275.00	
Permit	1	Lot	\$500.00	\$500.00	



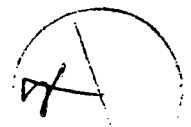
Department of Child and Family Services
A100
39559 Sierra Highway
Palmdale, Ca

Budget Only 4450-01-340-100
NL Services # 03-026
Date: 4/6/2004
Square Footage: 48500

WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
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Division 16 Electrical

Electric		Cost per SF	\$8.52	\$413,260.00	
2 x 4 T 8's w/prismatic	600	Each	\$145.00	\$87,000.00	
add for battery back ups	60	Each	\$125.00	\$7,500.00	
Wall-washers	18	Each	\$265.00	\$4,770.00	
Downlights	13	Each	\$235.00	\$3,055.00	
A B Wall Switch	66	Each	\$95.00	\$6,270.00	
3 - Way Switch	2	Each	\$90.00	\$180.00	
Multi Gang Switch	2	Each	\$110.00	\$220.00	
1500 Watt Dimmer	20	Each	\$250.00	\$5,000.00	
Light Sensors Ceiling	50	Each	\$165.00	\$8,250.00	
Exit Lights	40	Each	\$105.00	\$4,200.00	
Exit Lights Battery	40	Each	\$85.00	\$3,400.00	
Night light Circuit	49	Each	\$70.00	\$3,430.00	
Duplex - Wall	60	Each	\$65.00	\$3,900.00	
Duplex - Dedicated	90	Each	\$125.00	\$11,250.00	
Quad Wall Outlet Dedicated	29	Each	\$135.00	\$3,915.00	
3/4" Tel./Data Stub Up - Wall	80	Each	\$35.00	\$2,800.00	
12" Data Tray	600	LF	\$114.00	\$68,400.00	
12x12x6 Junction Boxes	85	Each	\$75.00	\$6,375.00	
6x6x4 Junction Boxes	85	Each	\$65.00	\$5,525.00	
Floor Quad - Flush	6	Each	\$195.00	\$1,170.00	
Floor Tel/Data - Flush	6	Each	\$160.00	\$960.00	
Furniture Feed - Power Poles	165	Each	\$375.00	\$61,875.00	
Furniture Feed Tel/ Data Floor	165	Each	\$285.00	\$47,025.00	
X-Ray	0	Each	\$200.00	\$0.00	
Core Drill	0	Each	\$75.00	\$0.00	
Demo / Safe off	182	Hrs	\$45.00	\$8,190.00	
Life Safety Speakers Boxes & Conduit	30	Each	\$230.00	\$6,900.00	
Electrical Grounding System	1	Each	\$450.00	\$450.00	
Isolated Tech Power Panel & Feeders	1	Each	\$2,500.00	\$2,500.00	
Sub Panels & Feeders 200 Amp only	3	Each	\$1,850.00	\$5,550.00	
Sub Panels & Feeders rework circuits	200	Hrs	\$65.00	\$13,000.00	
Engineering	49500	SF	\$0.60	\$29,700.00	
Permit	1	Lot	\$500.00	\$500.00	



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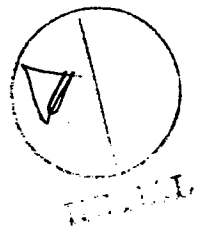
WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
Fire Life Safety	Cost per SF		\$1.68		\$81,250.00
Fire Life Safety Allowance	49500	SF	\$1.50	\$74,250.00	
Engineering	1	Lot	\$4,500.00	\$4,500.00	
Permit	1	Lot	\$2,500.00	\$2,500.00	
General Conditions	Cost per SF				\$209,275.00
Clean					
Site Protection	48500	SF	\$0.20	\$9,700.00	
Project Supervision	48500	SF	\$1.50	\$72,750.00	
Dumpsters	10	EA	\$500.00	\$5,000.00	
Project Management	48500	SF	\$0.65	\$31,525.00	
Contingencies (8%)	1	LS	\$100,000.00	\$100,000.00	

CONSTRUCTION SUMMARY

COST OF CONSTRUCTION WORK \$2,270,420

Construction Cost Per Square Foot 53.37

Plan review	2.00%	\$45,408.40
Permit Fee	2.00%	\$45,408.40
Overhead	4.00%	\$90,816.79
Profit	6.00%	\$136,225.19
49500	TOTAL COST OF WORK	\$2,588,279



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WORK DESCRIPTION	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
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With proper notification NL Services Inc. will be authorized to enter adjacent areas needed to complete required work.

It is assumed that base building HVAC, Electrical and Fire Safety systems are of adequate size for intended distribution, and in proper working order.

The scope of work included by NL Services Inc. is limited to the trades listed.
Quantities may vary.

The Proposal assumes that Parking, Power & water costs will be provided at no cost to the contractors.

The proposal assumes that the project does not required ADA upgrades and or code upgrade modifications.

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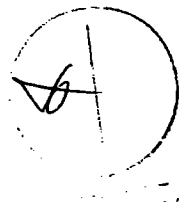


EXHIBIT C

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated April____, 2004, between County of Los Angeles, a body politic and corporate ("Tenant"), and AP-Sierra Gateway, LLC ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 39959 Sierra Highway, Palmdale, California ("Premises").

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____, 2004 ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on _____, 2004 ("Commencement Date");
- (4) The Premises contain 49,500 rentable square feet of space; and
- (5) Basic Rent Per Month is \$71,775.00 per month (adjustable only as provided in Exhibit F of the lease).

IN WITNESS WHEREOF, this Memorandum is executed this ____day of _____, 2004.

"Tenant"	"Landlord"
<p>COUNTY OF LOS ANGELES, a body politic and corporate</p> <p>By: _____ Name: _____ Its: _____</p>	<p>AP- Sierra Gateway, LLC a California limited liability company</p> <p>By: DA Properties LLC a Delaware limited liability company Its: Managing Member</p> <p>By: Abbey-Properties LLC a California limited liability company Its: Managing Member</p> <p>By: _____</p>

EXHIBIT D

HVAC STANDARDS

Excluding the space used as warehouse and storage the Landlord shall supply, cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.



EXHIBIT E

OFFICE CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
- M. Day Porter onsite a minimum of eight (8) hours daily, Monday through Friday

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. Wood furniture polished.
- C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.
- B. All painted wall and door surfaces washed and stains removed.
- C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.

B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

D. Carpet professionally spot cleaned as required to remove stains.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year]; (ii) moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

D. All walls repainted throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute and Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.



EXHIBIT F

RENT SCHEDULE

Year 1	\$1.45 per square foot
Year 2	\$1.45 per square foot
Year 3	\$1.50 per square foot
Year 4	\$1.50 per square foot
Year 5	\$1.55 per square foot
Year 6	\$1.55 per square foot
Year 7	\$1.57 per square foot
Year 8	\$1.57 per square foot
Year 9	\$1.60 per square foot
Year 10	\$1.60 per square foot

First Option Period

Year 1	greater of 90% of market or prior month Basic Rent per Addendum
Year 2	
Year 3	
Year 4	
Year 5	

Second Option Period

Year 1	greater of 90% of market or prior month Basic Rent per Addendum
Year 2	
Year 3	
Year 4	
Year 5	

ADDENDUM TO LEASE AND ALTERNATIVE PROVISIONS

For

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT**

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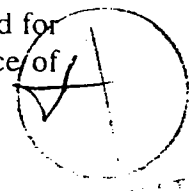
ADDENDUM TO LEASE

This ADDENDUM TO LEASE (this "Addendum") is attached to and constitutes an integral part of the Lease between **AP-SIERRA LLC**, a California limited liability company ("Landlord"), and **THE COUNTY OF LOS ANGELES**, a body politic and corporate ("Tenant"). The terms of this Addendum shall be incorporated into the Lease for all purposes. All words and phrases not specifically defined in this Addendum shall have the same meaning as in the Lease.

The following section 34 is hereby added to the Lease which states in its entirety as follows:

(a) Landlord hereby grants to Tenant two (2) options (each an "Option") to extend the Term of this Lease for two additional periods of sixty (60) months (each an "Option Term"). An Option must be exercised, if at all, by written notice ("Option Notice") delivered by Tenant to Landlord not later than two hundred seventy (270) prior to the end of the initial Term of this Lease, or the first Option Term, as applicable. Further, an Option shall not be deemed to be properly exercised if, as of the date of the Option Notice, or at the end of the initial Term of this Lease or the end of the first Option Term, as applicable, Tenant (i) is in default under this Lease, or (ii) has assigned all or any portion of this Lease or its interest therein, or has sublet all or any portion of the Premises in violation of the Lease. Provided Tenant has properly and timely exercised an Option, the then current term of the Lease shall be extended by the Option Term, and all terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect, except that (i) Landlord shall have no obligation to make any tenant improvements or provide any allowance therefore, and (ii) the Basic Rent shall be modified as set forth in sections (b), (c) and (d) below.

(b) The Basic Rent payable during an Option Term shall be equal to the greater of (i) ninety percent (90%) of the then prevailing fair market rental value of the Premises as determined herein, or (ii) the Basic Rent payable by Tenant to Landlord during the final month of the initial Term of this Lease, or the first Option Term, as applicable and shall be subject to market adjustments. If Landlord determines that the Basic Rent for an Option Term shall be based upon the calculation described in clause (ii) above, such determination shall be conclusive, Tenant shall have no right to object thereto, and the following provisions regarding the determination of fair market rental value shall not apply. If Landlord determines that the Basic Rent for an Option Term shall be ninety percent (90%) of the fair market rental value of the Premises pursuant to clause (i) above, Landlord shall determine fair market rental value by using commercially reasonable good faith judgment. As used herein, "fair market rental value" shall mean the annual amount per rentable square foot then being charged or projected to be charged for similarly improved office space in comparable buildings (age, design, quality and relative location in the vicinity in which the building is situated) located within a 5-mile radius of the Premises, on leases for delivery on or about the applicable delivery or effective date, taking into consideration annual rental rates per rentable square foot, age and condition of building, the type of escalation clauses, tenant improvements or allowances provided or to be provided for such comparable space, rental abatement concessions, if any, the length of the relevant term the extent of which the Fair Market Rental Value is to become effective, and any other relevant terms or conditions. It shall be understood, however, no reduction or increase in rent shall be granted for the presence or absence of a brokerage commission. Landlord shall provide written notice of



such amount not later than one hundred twenty (120) days prior to the expiration of then current term. Tenant shall have thirty (30) days ("Tenant's Review Period") after receipt of Landlord's notice of the fair market rental value within which to accept such fair market rental value or to reasonably object thereto in writing. In the event Tenant objects to the fair market rental value submitted by Landlord, Landlord and Tenant shall attempt in good faith to agree upon such fair market rental value, using their best good faith efforts. If Landlord and Tenant fail to reach agreement on such fair market rental value within thirty (30) days following Tenant's Review Period (the "Outside Agreement Date"), then each party's determination shall be submitted to arbitration in accordance with section (c) below."

(c) i. Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial properties in the area in which the Project is located or an individual who shall be designated as a Member, Appraisal Institute of Real Estate Appraisers (MAI) or a member of the Society of Real Estate Appraisers (SREA) and who shall have been active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties located in Los Angeles County. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted fair market rental value for the Premises is closer to the actual fair market rental value for the Premises as determined by the arbitrators, taking into account the requirements of section 34(b) above and this section regarding the same. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date.

ii. The two arbitrators so appointed shall, within fifteen (15) days of the date of the appointment of the last appointed arbitrator, agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators.

iii. The three arbitrators shall within thirty (30) days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted fair market rental value, and shall notify Landlord and Tenant thereof. Such decision shall be based upon the factors described in section 34(b) above.

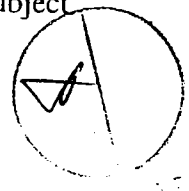
iv. The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant.

v. If either Landlord or Tenant fails to appoint an arbitrator within the time period specified in section 34(c)i. hereinabove, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

vi. If the two arbitrators fail to agree upon and appoint a third arbitrator both arbitrators shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association.

vii. The cost of arbitration shall be paid by Landlord and Tenant equally.

(d) Notwithstanding the fair market rental value for the Premises selected by the arbitrators, in no event shall the Basic Rent for an Option Term be less than the Basic Rent payable by Tenant during the final year of the term of this Lease immediately prior to the subject Option Term.



IN WITNESS HEREOF, the parties have executed this Addendum as of the date first written above.

LANDLORD:

AP-SIERRA LLC,
a California limited liability company

By: DA Properties LLC,
a Delaware limited liability company
Its: Managing Member

By: Abbey-Properties LLC,
a California limited liability company
Its: Managing Member

By: 

TENANT:

COUNTY OF LOS ANGELES, a
body politic and corporate

By: _____

Name: _____

Title: Chairman, Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By: _____

Deputy: _____

APPROVED AS TO FORM:

Office of the County Counsel

By: 
Deputy: Francis E. Scott

LANDLORD'S WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: CHILDREN AND FAMILY SERVICES, as Tenant
LANDLORD: AP-SIERRA LLC, a California limited liability company

39959 Sierra Highway, Palmdale, California

LANDLORD'S WORK LETTER

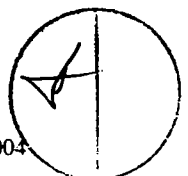
This Work Letter supplements the Lease (the "Lease") dated _____, 2004, executed concurrently herewith, by and between AP-SIERRA LLC, a California limited liability company as Landlord, and COUNTY OF LOS ANGELES, a body politic and corporate as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- | | |
|--|--|
| (a) <u>Base Tenant Improvement Allowance</u> | N/A – Landlord shall complete the Base Tenant Improvements and deliver the Premises in accordance with the Plans attached hereto as Addendum B. |
| (b) <u>Additional Tenant Improvement Allowance</u> | N/A |
| (c) <u>Maximum Change Order Allowance</u> | N/A |
| (d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u> | N/A |
| (e) <u>Basic Rent Reduction</u> | None. |
| (f) <u>Tenant's Work Letter Representative</u> | Thomas Shepos |
| (g) <u>Landlord's Work Letter Representative</u> | Donald G. Abbey |
| (h) <u>Landlord's Address for Work Letter Notice</u> | AP-Sierra LLC
Attn: Donald G. Abbey
c/o The Abbey Company
310 Golden Shore, Suite 300
Long Beach, California 90802 |
| (i) <u>Tenant's Address for Work Letter Notice</u> | Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
Fax Number: _____ |

With a copy to:
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012



Attention: Director of Real Estate
Fax Number: 213-830-0907

(j) Addenda

Addendum A: Base Building Improvements
Addendum B: Base Tenant Improvements

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Base Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Base Tenant Improvement Costs**

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, Tenant shall have no financial responsibility for such costs.

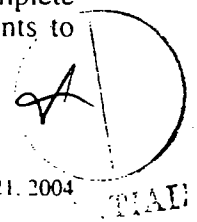
(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Base Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, or (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, as specifically disclosed in the Plans.

2.3 **Base Building Plans.** Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format. In the event such plans and specifications are incomplete or inaccurate, such delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect and Engineer.** Landlord has selected a qualified licensed architect ("Architect") and an engineer ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. Tenant hereby approves and consents to Landlord's selection of the Architect and the Engineer, as selected by Landlord.

4. **Selection of Contractor.** Landlord has selected a contractor ("Contractor") to complete the construction of the Base Tenant Improvements. Tenant hereby approves and consents to Landlord's selection of NL (as defined in the Lease) as the Contractor.

A handwritten signature, possibly 'A', is written over a circular stamp. The stamp contains the word 'THAT' at the bottom.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Tenant shall submit to Landlord a Space Plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan").

5.2 Approval of Space Plan. Within two (2) days after Landlord receives the Space Plan, Landlord shall either approve or disapprove the Space Plan. Any disapprovals must be only for reasonable and material reasons which shall be limited to 1) a material adverse effect on the Building structure; (2) possible damage to the Building mechanical systems, (3) non-compliance with applicable codes, (4) material adverse effect on the exterior appearance of the Building, or (5) unreasonable interference with the normal and customary business operations of other tenants in the Building.

5.3 Revisions to Space Plan. Tenant shall make the changes necessary in order to correct the matters in the Space Plan disapproved by Landlord and shall return the Space Plan to Landlord, which Landlord shall approve or disapprove within one (1) day after Landlord receives the revised Space Plan. This procedure shall be repeated until written approval of the Space Plan by Landlord has been delivered to Tenant. The Space Plan may be submitted by Tenant in one or more stages and at one or more times, and the time periods for Landlord's approval shall apply with respect to each such portion submitted.

5.4 Preparation and Approval of Working Drawings. Within ten (10) days of the date the Space Plan is approved by Landlord (the "Plan Approval Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Base Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.5 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

5.6 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets,

sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Base Tenant Improvements.

5.7 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Base Tenant Improvements.

5.8 Schedule. Within thirty (30) days after the Landlord Tenant Improvement Commencement Date (as defined in the Lease), Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates for the specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Construction of Base Tenant Improvements.

6.1 Base Tenant Improvements. "Base Tenant Improvements" to be constructed by Landlord are those described more particularly on Addendum B attached hereto. Except for furniture and telecommunications improvements, if any work required by the Final Plans is not described on Addendum B hereto the work shall be performed by Landlord at its own cost and expense and not included in the cost of the Base Tenant Improvements.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Base Tenant Improvements, promptly after approval of the Final Plans.

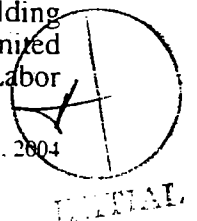
(b) Commencement of Construction. Landlord shall commence construction of the Base Tenant Improvements within fifteen (15) days after the Landlord Tenant Improvement Commencement Date (as defined in the Lease). Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Base Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

6.2 Construction. Construction of the Base Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Base Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(c) Compliance with Laws. Construction of the Base Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor



Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

6.3 Conformed Plans. Within sixty (60) days after substantial completion of the Base Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

7. Audit. Tenant may audit the costs and/or sums advanced by Landlord to Tenant in connection with the Additional Furniture Allowance, as provided under the Lease, for a period of twenty-four (24) months from the date of Substantial Completion of the Base Tenant Improvements.

8. Delay.

8.1. Tenant Delays and Force Majeure Delays. Except as set forth herein, no delay in the completion of construction of the Base Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Base Tenant Improvements. Subject to the provisions of Section 8.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Base Tenant Improvements; or (ii) construction time will be increased because (a) Tenant modifies the Plans subsequent to their approval, or (b) due to any action or omission of Tenant or anyone performing services on behalf of Tenant (each of (i), (ii)(a) and (ii)(b) a "Tenant Delay"); or (iii) Substantial Completion of the Base Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

8.2. Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within forty eight (48) hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Base Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by fourteen (14) days.

9. Representatives.

(a) Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section I.

(b) Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section I.

10. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) days of the date the Contractor is selected.

11. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

[SIGNATURES ON FOLLOWING PAGE]



LANDLORD:

AP-SIERRA LLC,
a California limited liability company

By: DA Properties LLC,
a Delaware limited liability company
Its: Managing Member

By: Abbey-Properties LLC,
California limited liability company
Its: Managing Member

By:  _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____

Name: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Violet Varona-Lukens,
Executive Officer-Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Office of the County Counsel

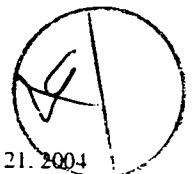
By:  _____
Deputy: Francis E. Scott

ADDENDUM A to Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed (or will construct) the Building to include the following:

- (a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) the core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;
- (c) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;
- (e) ground floor lobby;
- (f) exterior plazas and landscaping;
- (g) drinking fountains at the core;
- (h) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;
- (i) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floors _____, in which case Landlord, at no cost to Tenant, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);
- (j) two (2) 208/120 and one (1) 480/277 bolt panels connected to the Building power system;
- (k) concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;
- (l) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;
- (m) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (n) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (o) gypsum board on the service core walls, columns and sills in the Premises.



ADDENDUM B to Landlord's Work Letter

BASE TENANT IMPROVEMENTS

Base Tenant Improvements shall consist of the improvements set forth on the Plans and specifications attached hereto and made a part hereof.

OUTLINE SPECIFICATIONS
FOR
COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Programs included:

**Bureau of Children and Family Services
Bureau of Children Protection
Revenue Enhancement,
Adoptions
Medical Placement Unit
Systems of Care / WRAP AROUND
START Unit,
Court Services,
etc.**

**39959 SIERRA HIGHWAY
PALMDALE, CALIFORNIA**

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
REAL ESTATE DIVISION
FACILITIES SPACE DESIGN**

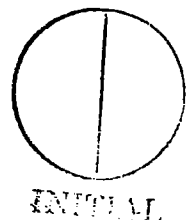
**222 South Hill Street
Los Angeles, CA 90012**

FILE NO. 10-03

**Contact: Vincent Yen, Architect
Telephone: (213) 974-4246
FAX: (213) 217-4971
e-mail address: vyen@cao.co.la.ca.us**

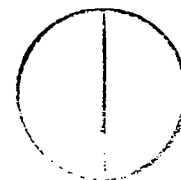
Date: September 24, 2003

*Approved
10-1-03*



DIVISION 1 – GENERAL REQUIREMENTS:

1. The Lessor shall provide tenant improvements as described herein to provide a "turn-key" space for the County of Los Angeles, Department of Children and Family Services (DCFS).
2. The Lessor and his Architect shall consider the following Outline Specifications and Preliminary Drawings prepared by the County of Los Angeles, Chief Administrative Office, as showing the County's functional utilization of space and general requirements of materials and quality of workmanship. The Outline Specifications and Preliminary Drawings are not definitive as to absolve the Lessor and his Architect and General Contractor from addressing any and all governing code requirements.
3. Scope of work shall include all labor, materials, supplies, equipment, services, specialties, transportation, and the cost thereof, required to complete tenant improvements for said project.
4. Tenant improvements shall conform to the requirements of all governing building, plumbing, mechanical, and electrical codes, and any and all other applicable requirements including State of California Administrative Code and The Americans With Disabilities Act. The Lessor shall be responsible for obtaining all necessary permits.
5. The Lessor shall submit three bids for the construction of the tenant improvements to the County for its review prior to award of contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs including A/E fees, permits, contractor's profit and overhead, and project management fees. (Also see Division 12 below).
6. Upon award of the construction contract, said premises shall be turned over to the successful licensed Contractor who shall be fully responsible for the project until the work is complete and has been accepted by the Lessor and approved by the County.
7. If the existing building substantially contains materials, fixtures and equipment or other items that are in reasonably good condition to provide trouble-free service for the term of the lease (including roofing and air-conditioning etc.), those materials, fixtures, and equipment will be deemed acceptable by the County.
8. The Contractor shall repair or replace all missing, worn, or damaged construction, equipment and furnishings. Match existing or new construction, as applicable.
9. Upon completion of construction, Contractor shall wash all windows, sweep, wash and/or polish all floors, and vacuum and shampoo all carpeting. Contractor shall remove all trash and debris from the project site.
10. Submittals:
 - A. Construction Drawings and Furniture Installation Plans: Submit one set of reproducibles and four sets of blueline prints to County for review and approval prior to start of construction or order placement.



- B. Shop Drawings and Material Submittals: Submit to County for approval prior to order and/or fabrication.
- C. As-Builts: Upon completion of project, submit one set of revised/updated contract documents on an electronic drawing file in a 3 ½ floppy disc or CD Laser disk format.
- D. Permits: Upon completion of project, submit copies of all permits, inspection cards, and certificates of occupancy.
- E. Miscellaneous: Submit three (3) copies of all warranties, operation manuals, and other pertinent information to County upon completion of project.

DIVISION 2 – SITE WORK:

- 1. Provide parking required in lease documents. Comply with all accessibility requirements of the California Administrative Code, the Americans With Disabilities Act, and the local governing jurisdiction.
- 2. Provide adequate lighting in parking lot area (average lumen 2 foot-candles minimum throughout).

DIVISION 3 – CONCRETE:

(No specific requirements)

DIVISION 4 – MASONRY:

(No specific requirements)

DIVISION 5 – METALS:

(No specific requirements)

DIVISION 6 – WOOD AND PLASTICS:

Architectural Woodwork:

- A. All cabinetry and millwork shall conform to the requirements of the Woodwork Institute of California (W.I.C.), "Custom" grade, flush overlay construction.
- B. Cabinet faces, sides, and trim shall be plastic laminate-faced.
- C. Countertops shall be plastic laminate-facing with self-edge.
- D. All cabinetry and millwork shall comply with accessibility requirements of the California Administrative Code and the Americans With Disabilities Act.



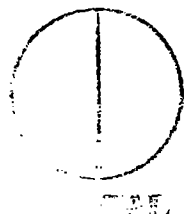
- E. Submit shop drawings to County for approval prior to fabrication.
- F. Provide ADA compliant cabinetry at locations shown on Preliminary Drawings including but not necessary limited to:
- Public Lobby area: ADA Reception & Cashier counters
 - Reception Room: Reception work counter w/ lockable file drawers & returns
 - Cashier Room: Cashier work counter w/ lockable drawers & safe space.
 - Life Scan Room: Upper & lower lockable storage cabinets w/ work counter
 - Copy / Storage Room: Upper & lower storage cabinets w/ work counter
 - Supply Room: Full height storage units w/ adjustable shelves
 - Stock Room: Full height storage units w/ adjustable shelves.
 - Lunch / Break Room: Counter w/ sink & garbage disposal, microwave shelves, upper and lower cabinets.
 - Coffee Alcove (Typical of 4-locations): Counter w/ wet sink and upper & lower storage cabinets, (two locations not shown – TBD by user department).

DIVISION 7 – THERMAL AND MOISTURE PROTECTION:

1. Roof (new or existing) to be bonded and maintained for the term of the lease.
2. New interior walls to be sound-insulated.

DIVISION 8 – DOORS, WINDOWS AND GLAZING:

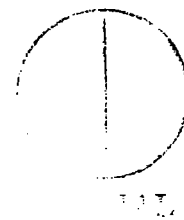
1. Doors:
 - A. New interior doors shall be solid-core, stain-grade, hardwood-faced.
 - B. Refinish existing doors to match new doors.
 - C. Replace existing damaged doors as required.
 - D. New door and window frames shall be hollow-metal, shop-primed; paint existing frames to match new.
 - E. Provide fire-rated assemblies, as required by code.
 - F. Provide floor-mounted doorstops, throughout.
 - G. Levers and locks shall be "Heavy-Duty Commercial" type, Schlage "D" series, "Sparta" or similar; existing hardware to match new hardware; (replace existing if required).
 - H. Provide panic hardware, as required by code.
 - I. Provide door locks at locations shown on plan; rekey existing doors as required for the new occupancy.



- J. Provide access control keypads at locations indicated by County; see plans and specifications prepared by County Internal Services Department, Information Technology Service.
 - K. Provide viewports at locations indicated by County; (typically, all doors in public areas, corridors, and staff areas, including offices and conference rooms). Omit viewport at storage and supply rooms). Viewport frames shall match door frames. New viewports shall match existing.
 - L. Doors and door hardware shall comply with the accessibility requirements of the California Administrative Code and the Americans With Disabilities Act.
 - M. Provide kickplates at all corridor and toilet room doors.
2. Windows and Glazing:
- Provide fixed-glass interior windows at locations shown on plan.
 - Provide full height glass block wall at location shown on plan.
 - Provide "Lexan" interior window glazing in Children's Room.

DIVISION 9 – FINISHES:

1. Carpet:
- A. Install new carpet throughout, including corridors and existing stairways, unless otherwise shown on Preliminary Drawings.
 - B. Carpet shall be 30 oz. textured level-loop, most areas; 32 oz. cut-pile carpet banding at administrative areas and conference room perimeters; glue-down installation.
 - C. Provide alternate bid price for carpet tiles.
 - D. Specify Mannington, Masland, Designweave, Shaw Contract, or approved equal.
2. Vinyl Tile:
- A. Install vinyl tile at locations shown on Preliminary Drawings.
 - B. Provide accent tile(s) in lunchrooms, and break rooms.
 - C. Specify Armstrong "Excelon Premium" 12"x12"x1/8" tiles, or approved equal.
3. Top set Base:
- A. Install 4" vinyl topset base at all new and existing walls, and cabinet bases.
 - B. Specify Burke, Johnsonite, or approve equal.



4. Ceramic Tile:

- A. Install new ceramic tile in all new restroom floors, 2"x2" or 4"x4" unglazed, and restroom walls. 4"x4" glazed, full-height. Provide allowance for floor and wall accent design patterns.
- B. Install new ceramic tile in lobbies and public areas; see Preliminary Drawings for extent.
 - Floors: 12"x12" unglazed, textured finish.
 - Base: 4" high.
- C. Specify Dal-Tile or approved equal.

5. Paint:

- A. Paint all new and existing interior spaces including, but not limited to walls, ceilings, doors, and trim. Provide one primer coat and two finish coats.
- B. Provide one base color and four accent colors:
 - Office areas: eggshell finish.
 - Restrooms, lunchrooms and breakrooms: semi-gloss.
- C. Specify Frazee, Sinclair, or approved equal.

6. Ceilings:

- Provide new 2x4 T-bar acoustical tile ceiling – Class A , 2x2 (SLT) Radar Illusion pattern by USG Corporation or equa.
- Minimum ceiling height: 9'-6" typical

7. Window Coverings:

- A. Install mini-blinds at all exterior and interior windows.
- B. Specify Levelor "Riviera" or approved equal.

DIVISION 10 – SPECIALTIES:

(Also see Division 1, paragraphs 4 and 7 above).

1. Toilet Partitions and Urinal Screens:

- Sanymetal or approved equal, overhead-braced, baked enamel finish.

2. Toilet Room Accessories:

- A. Grab bars, at accessible toilets.



- B. Mirror, at each lavatory.
- C. Towel Dispenser and Receptacle, semi-recessed.
- D. Liquid Soap Dispenser, at each lavatory.
- E. Sanitary Napkin Dispenser, at each women's restroom, recessed.
- F. Sanitary napkin disposal, at each women's toilet.
- G. Toilet paper dispenser, double-roll, at each toilet.
- H. Toilet seat cover dispenser, at each toilet, recessed.
- I. Kick plate at each side of door.
- J. Specify Bobrick, or approved equal.

3. Signage:

- A. Provide and install all **required exit, occupant load, disability, toilet room signs.**
- B. Provide signage on **building exterior and building entrance doors**; text to be provided by County.
- C. Provide \$10,000 allowance **for additional signage**; (Also see Division 12 below).

4. Audio / Visual:

- Provide minimum two (2) **write-and-wipe presentation boards** with attached projection screen in each conference room, **Egan, wood finish. (Total 6 units)**

5. Folding Partitions:

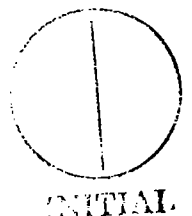
- Provide and install folding partition **at location(s) shown on Preliminary Drawings**, Panelfold "Moduflex" Series 600 or **approved equal.**

7. Corner Guards:

- Provide metal wall corner guards in **all corridors and public areas.**

DIVISION 11 – EQUIPMENT:

- A. Provide and install at each staff lunchroom and break room:
 - Microwave oven, overhead-mounted.
- B. Provide at each lunchroom:



- Garbage disposal.

C. Provide and coordinate utilities for refrigerator and vending machine hook-ups

DIVISION 12 – FURNISHINGS:

1. Lessor shall purchase, order, and install all modular systems furniture, casegoods, lateral files, and miscellaneous public waiting, conference room, lunch room tables and seating as shown on Preliminary Drawings. The furniture installation plans shall be included as an attachment to the construction drawings. Lessor shall be responsible for coordination of the delivery and installation of the furniture with the general building construction, including the hot-wire connections to the buildings' electrical and telecommunications systems.
2. Lessor shall obtain bid proposals, based on attached Preliminary Drawings from each of the following manufacturers, (no substitutions) and submit them to the County for its review prior to award of the furniture contract:

- HAWORTH: Kristine Mitchell / Dealer Market Manager
10880 Wilshire Blvd., Suite 122, Los Angeles, CA 90024
Tel.: 310-446-4432; Fax: 310-446-4452
Kristine.mitchell@haworth.com
- HERMAN MILLER: Liza Seals / Account Development Manager
633 West 5th Street, Los Angeles, CA 90071
Tel.: 213-694-2631; Fax: 213-486-3950
Lisa_seals@hermanmiller.com
- KNOLL: Diane Stapleton / Sales Representative
214 Wilshire Blvd., Suite 200, Santa Monica, CA 90401
Tel.: 310-286-5832; Fax: 310-659-1236
dstapleton@knoll.com
- INSCAPE: Barbara Cooper / Marketing Manager
2450 Colorado Avenue, Suite 210E, Santa Monica, CA 90404
Tel.: 310-828-8426; Fax: 310-828-7427
bcooper@inscapesolutions.com

NOTE: Coordinate with County to provide furniture bid package at a later date.

3. The furniture manufacturer/dealer shall field verify existing building conditions; coordinate all electrical and voice/data outlet requirements and locations with Nelson Chan, County Telecommunications Engineer, (213) 974-4237, and prepare a complete installation drawing. Drawing shall indicate locations of all power and data infeeds; exact infeed locations subject to review and approval by County at time of installation. Power whips shall be color-coordinated with data infeed; verify color selection with County.



4. Bid proposals shall be complete and shall clearly identify by line item each and all categories represented in the product (e.g., grade of fabric). Provide the following (see Preliminary Drawings for locations and quantities):
- A. Panels: 3-3 ½" thick tiled acoustic, (panels over 40" high), Grade 2 or B fabric, with glass panels along aisles, tackable panels, top caps, and filler panels; see Preliminary Drawings for panel heights.
 - B. Work Surfaces: laminate top with radiused-edge detail; with grommots or clearance for cable access.
 - C. Adjustable keyboard: specify Humanscale model #2G911DG, with dual mouse pads.
 - D. Free-standing Desks, Returns, Credenzas: wood veneer; with grommots; tackable panel below hutch.
 - E. Overhead Cabinet: painted, lockable, with task light, and tackable panel.
 - F. Pedestal Drawers: full-depth, lockable, with pencil tray (@ 6/6/12 drawers).
 - G. Lateral Files: full-depth, lockable, see Drawings for heights; (4-high in open office areas).
 - H. Task, Conference Chairs: mid-back, pneumatic, with non-upholstered arms; Grade 2 or B fabric.
 - I. Management Chairs: high-back, pneumatic, with upholstered arms, Grade 3 or C fabric.
 - J. Guest Chairs: non-upholstered arms, 4 leg-base; Grade 2 or B fabric.
 - K. Management, Guest Chairs: upholstered, open wood arms and frame; Grade 3 or C fabric.
 - L. Lobby Seating: upholstered, wood arms, ganging.
 - M. Conference Tables: wood laminate, vinyl-edge; provide grommots as required.
 - N. Lunch, Break Room Chairs: polypropylene shell, armless, stackable.
 - O. Lunch, Break Room Tables: laminate, bullnose edge.
 - P. Signage: at each workstation (panel-mounted), and office (wall-mounted); text to be provided by County.



DIVISION 13 – SPECIAL CONSTRUCTION:

Provide high density filing system in Suspense / File Room by TAB Filing system or approved equal.

DIVISION 14 – CONVEYING SYSTEMS:

(Also see Division 1, paragraph 4 above).

(No specific requirements).

DIVISION 15 – MECHANICAL SYSTEMS:

(Also see Division 1, paragraph 4 and 7 above).

1. Plumbing (Provide hot and cold water at all lavatories and sinks):

A. Restrooms:

- Toilet, repair/replace as required; install new sensor controls.
- Lavatory, repair/replace as required; install new sensor controls.
- Urinal, repair/replace as required; install new sensor controls.
- Service Sink (at Custodian).

B. Lunchrooms:

- Double compartment, stainless steel sink, single-lever control, with "InstaHot" water heater and garbage disposal. (provide one unit per counter)

C. Electric Drinking Fountains (see Preliminary Drawing for locations):

- Wall-mounted, Haws or similar, ADA accessible.

D. Coffee Alcove: (total of 4-locations)

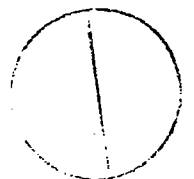
- Wet sink with garbage disposal

2. Heating, Ventilating and Air Conditioning System:

Heating, ventilating, and air conditioning system shall accommodate the new occupancy. All rooms and areas shall have supply and return air. Thermostats shall have automatic change-over feature, (no manual switching from heating to cooling cycles), with metal, tamper-proof covers. Design for the following:

Summer: Outside air 98 degrees D.B., 71 degrees W.B.
Inside space conditions 78 degrees D.B.
50% relative humidity

Winter: Outside air 33 degrees D.B.
Inside space conditions 68 degrees D.B.



Balance HVAC system after occupancy. Provide HVAC Air Balance Report to County for verification and record.

Main Communications Room(s) shall have separate 24-hour system with full redundancy backup.

3. Fire Protection:

- A. Provide and install fire sprinkler and alarm system as required by governing jurisdiction.
- B. Provide and install all fire extinguishers as required by local fire marshal, and at all lunch and break rooms.

DIVISION 16 – ELECTRICAL:

1. Electrical:

Provide convenience outlets at locations shown on Preliminary Drawings.

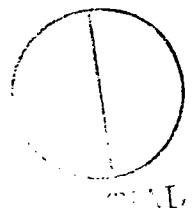
- A. Provide special-use outlets and isolated circuits and grounds for modular furniture workstations, printers, copiers, refrigerators, garbage disposals, microwave ovens, vending machines and other uses as provided by County.
- B. Provide hot-wire connections for furniture system power and voice/data. Verify infeed locations and color selection with County; see Division 12, paragraph 3 above. Electrical contractor shall make appropriate adjustments to furniture power whip length to wall connection for fit, shorten whip length as required, no exceptions.
- C. Specify Leviton Decora Industrial Grade electrical receptacles, and Leviton Decora Commercial Grade switches, wall plates, voice, data, and video devices; Color: white.

2. Lighting:

- A. Lighting shall accommodate the new occupancy. Design for 60 footcandles (2 watts/square foot maximum) at 30" above finish floor for all areas excluding halls and restrooms.
- B. Provide new 2x4 recessed florescent in ceiling with energy efficient ballast and 1"x1"x3/4" deep cells parabolic louvers.
- C. Provide emergency exit lighting system as required by governing jurisdiction.

3. Telecommunications:

- A. Provide and install conduits and equipment as required by the County of Los Angeles for voice/data, intercom, public address, intrusion alarm, security, and computer network systems.



- B. Plans and specifications prepared by the County of Los Angeles, Internal Services Department, Information Technology Services (ITS), shall be included as part of the work.
- C. For additional information, contact Nelson Chan, (213) 974-4237.

CONFIDENTIAL

SUPPLEMENTAL LEASE DOCUMENTS

For

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: _____, as Tenant

LANDLORD: _____, a _____

[address of premises]

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice

DOCUMENT V

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Administrative Office, Real Estate Division,
222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of
Real Estate.

"LENDER:

a _____

By: _____
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

On this ____ day of _____, 20__, before me, _____
_____ a Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved on the
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____.

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

Space above for Recorder's Use

**NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMEN
AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO
AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER
SECURITY INSTRUMENT.**

Factual Background

- A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.
- B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").
- C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").
- D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination..
2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.
3. Nondisturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.
4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.
5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.
6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: _____

To Tenant: County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

TENANT: COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

DOCUMENT II
TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

 (b) The current Rent is set forth above.

 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

 (d) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

 (e) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended and is in full force

and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

[(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.]

(b) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

DOCUMENT III

COMMUNITY BUSINESS ENTERPRISES FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM: NAME

ADDRESS

CONTACT

TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: _____

	OWNERS/PARTNERS ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: _____

_____ (Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: _____

PERCENTAGE OF OWNERSHIP

Black/African American	_____
Hispanic/Latin American	_____
Asian American	_____
Portuguese American	_____
American Indian/ Alaskan Native	_____
All Others	_____
Women	_____

(Should be included in counts
above and also reported
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

**IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS
FIRM BY THE:**

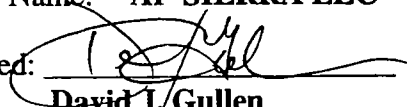
State of California?	Yes	No
City of Los Angeles?	Yes	No
Federal Government?	Yes	No

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

**WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS
FORM.**

Firm Name: AP-SIERRA LLC

Signed:


David J. Gullen

Date: April 28, 2004

Title: Vice President

DOCUMENT IV

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between AP-SIERRA LLC (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 2004, and ending on a date ten (10) years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated _____, 2004.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

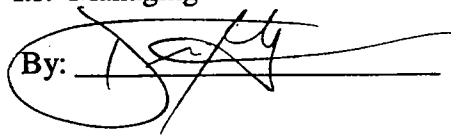
Dated: _____, 2004.

LANDLORD:

AP- SIERRA LLC
a California limited liability company

By: DA Properties LLC, a
Delaware limited liability company
Its: Managing Member

By: Abbey-Properties LLC
a California limited liability
company
Its: Managing Member

By:  _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate
By:

Name: _____
Chairman, Board of Supervisors

ATTEST:
Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

By: _____

Office of the County Counsel

By: _____
Deputy: Francis E. Scott

CHIEF ADMINISTRATIVE OFFICE LEASE ANALYSIS SUMMARY

Project # 740V98953 Department Children and Family Services Date 4/12/2004
 Agent Thomas Shepos Program Service Bureau 3 Service Center District Fifth

Lease Premises

Address 39959 Sierra Highway, Palmdale

Lessor Identification

Name AP-Sierra Highway
 Contact Don Abbey
 Address 310 Golden Shore, Suite 300
 City Long Beach Zip 90802
 Telephone 562-435-2100
 Fax 562-435-2109

Property Manager Identification

Name Same as Lessor
 Contact
 Address
 City Zip
 Telephone
 E-mail

LEASE OBLIGATIONS AND ANNUAL OCCUPANCY COST ANALYSIS

	Lessor	County
Cleaning		
Cleaning-Services	✓ 0.93	0.00
Cleaning-Supplies	✓ 0.11	0.00
Cleaning-Trash	✓ 0.05	0.00
Repair and Maintenance		
Electrical-Lamp&Tubes	✓ 0.03	0.00
Electrical-Systems	✓ 0.03	0.00
HAVC-Equipment	✓ 0.11	0.00
HVAC-Servicing	✓ 0.01	0.00
Plumbing-Exposed	✓ 0.02	0.00
Plumbing-Concealed	✓ 0.01	0.00
Plumbing-Waste	✓ 0.01	0.00
Exterior-Repainting	✓ 0.04	0.00
Exterior-Glass	✓ 0.04	0.00
Interior-Maintenance	✓ 0.30	0.00
Structural & Roof	✓ 0.03	0.00
Fire-Life & Safety	✓ 0.08	0.00
Elevators	✓ 0.18	0.00
Utilities		
Electric	0.00	✓ 2.15
Gas	0.00	✓ 0.10
Water-Sewer	0.00	✓ 0.09
Miscellaneous		
Road & Grounds	✓ 0.14	0.00
Security	✓ 1.23	0.00
Administration 1=full 2=split	2 0.69	2 0.68
Real Estate Tax	✓ 0.00	0.00
Building Insurance	0.39	✓ 0.00
Tenant Improvements		
County-1	n/a	✓ 0.00
County-2	n/a	n/a
County-3	n/a	n/a
Lessor	✓ 7.37	n/a
Parking		
County/Lessor	✓ 2.10	n/a
Total Costs	13.90	3.02
Basic Space Rate²	+ 3.50	
Totals¹	= 17.40	3.02
		+ 17.40
		\$20.42

Terms & Conditions	Amounts	Notes
Lease Term 10 yrs.	120	Months
Square Feet Leased	49,500	
Monthly Rent/Sq. Ft.	\$1.45	
Monthly Adj. To Rent	\$0.00	
Monthly Rent	\$71,775.00	
Annual Rent	\$861,300.00	
Term Rent	\$8,613,000.00	

Lease & Building Facts

Right to Cancel	72nd,90 & 100 mos. 120 days notice
Option to Renew	Two, 5-year Option
Option to Purchase	Right of First Option
Type of Building	2-story
Type of Walls	Drywall
Type of Ceiling	Drop Ceiling
Type of Lighting	Flourscent
Type of Floor	Carpet
Thomas Guide	4195 A5
Assessor's Parcel #	3006 003 041
CPI Adjustment	Annually, fixed increase per lease
Zoning	Commercial
Building Sq. Ft.	49,500

Improvements - Detail

Paid By	Loan Amount	Interest Rate	# per.	# Pmts	Annual Payment	
County-1	\$1,500,000	8.00%	0	0	1,500.00	If needed
County-2	\$0	0.00%	12	60	\$0.00	
County-3	\$0	0.00%	12	60	\$0.00	
Lessor	\$2,400,000	9.00%	12	120	\$364,826.23	

Monthly Parking Costs - Detail

	# of Spaces	Annual Parking Cost
County Paid Parking	0	\$0.00
Lessor Paid Parking	247	\$35.00
		\$103,740

Comments:

¹ Adjusted annual rent divided by sq. ft. ² Rent minus Lessor Costs

LEASE FACT SHEET

Subvention:	84°.
Job No.:	740V-98953
Supervisor	
District:	5

☒ New Alterations: ☐ No ☒ Yes ☐ Re-Lease ☒ Additional Cost \$1,500,000 ☐ Amendment ☐ Option to Renew
☒ Lump Sum (if needed) ☐ Amortized \$0.00per mo. @ 3%
☐ Included in Rental \$ 2,400,000

Current assessed value:	\$ 1,994,000
Latest real property tax amount:	\$ 24,531
Amount of real property tax paid by County:	\$ 0

LEASE STRUCTURE: OPERATING VS. CAPITAL:

Estimated Market Value of Property:	
Land:	\$ 900,000
Improvements:	\$ <u>1,000,000</u>
Total:	\$ <u>1,900,000</u>

PRESENT VALUE (PV) OF INCOME OVER TERM: Monthly Base Rental Rate (NNN Basis) x discounted by PV% = Present Value

$$\frac{\text{Present Value Market}}{\text{Estimated Market Value}} = \% \text{ of Fair Market Value}$$

LEASE COST COMPARISON:

	Monthly Lease Amount	No. of Sq. Ft.	Cost per Sq. Ft.
Proposed	\$ 71,775	49,500	\$ 1.45
Previous	<u>\$ N/A</u>	<u>N/A</u>	<u>N/A</u>
Difference	\$	<u>0</u>	<u>\$ 0</u>
% Change	0%		

APPROVALS:

Board Office No. <u>5</u>	Deputy: <u>Kathryn Barger-Leibrich</u>	Date: _____
REMC Date: <u>N/A</u>	Project <u>Michele Vercoutere</u>	Date: <u>11/14/02</u>